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February 16, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVE ENERGY EFFICIENCY PROGRAM
CALIFORNIA PUBLIC UTILITIES COMMISSION
(3 VOTES) (ALL DISTRICTS)**

SUBJECT

Authorize the Director of the Internal Services Department to enter into an agreement with Southern California Edison and Southern California Gas Company to implement energy projects in various County facilities with funds provided by the California Public Utilities Commission (CPUC) and find that the approval of this action is exempt pursuant to the provisions of the California Environmental Quality Act (CEQA).

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the approval of this action is categorically exempt pursuant to the provisions of the California Environmental Quality Act (CEQA).
2. Authorize the Director of the Internal Services Department (ISD) or his designee to negotiate and execute an Agreement to Jointly Deliver the 2010-2012 Los Angeles County/IOU Energy Efficiency Partnership Program (Agreement) substantially similar in form to attachment with Southern California Edison (SCE) and Southern California Gas Company (SCG) to implement energy projects in various County facilities with funds provided by the California Public Utilities Commission (CPUC).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this recommendation is to authorize ISD's Director or his designee to negotiate and execute the Agreement (Attachment A) with SCE and SCG to allow ISD to complete energy efficiency projects within County facilities throughout SCE and SCG service territories. These projects will result in electricity and gas savings for the County.

This program is a continuation of the partnership program approved by your Board in August 2006. The projects completed included retro-commissioning of County facilities, mechanical retrofits, controls and other equipment retrofits. This highly successful program saved over \$2 million in annual utility costs. In 2009, your Board approved an amendment to the 2006-08 partnership contract to allow the program to continue into 2009 until the CPUC issued a final decision for the next three year cycle. On October 1, 2009, the CPUC issued its approval of the 2010-2012 program.

The 2010-12 partnership program has been awarded \$4.2 million by the CPUC. This program will continue to focus on identifying energy efficiency activities in County facilities in support of the recently adopted County of Los Angeles Energy and Environmental Plan. Efficiency measures to be implemented include retrofits, retro-commissioning, education and training for facility and maintenance personnel, new construction design assistance and the installation of new technologies for energy efficiency.

Implementation of Strategic Plan Goals

These energy savings projects support Goal Number 1 of the County's Strategic Plan, Operational Effectiveness, by investing in the public infrastructure and including actions to meet the goal of a 20 percent reduction in energy and water usage in facilities by 2015.

FISCAL IMPACT/FINANCING

Partnership funds will be used to fully or partially offset project costs. Partnership funds will fully offset the total costs for retro-commissioning projects and any education and training. Qualifying retrofit projects that are (or will be) funded from other sources will receive a rebate/incentive to offset a portion of the total project costs. Such projects include lighting, heating, ventilating and air conditioning upgrades, upgrades to pumping systems and new construction. ISD will work in conjunction with other County departments to identify retro-commissioning and retrofit projects and other sources of funding as necessary. Other sources of funding may include grants, rebates/incentives received for past completed projects, or County funds.

ISD provides administrative and project management services to support the partnership program. The cost for ISD's services are offset by the Utility budget indirect rate.

Sufficient appropriation is available in ISD's Fiscal Year 2009-10 budget to complete this fiscal year's planned projects. In future fiscal years, ISD's Utility budget requests will reflect sufficient appropriation for planned project costs.

It is anticipated that the 2010-12 partnership program will result in an estimated annual utilities savings to the County of approximately \$1 million annually after all projects are identified and

implemented.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under the Agreement and in conjunction with the CPUC order, SCE will be responsible for overall program administration which includes disbursement of all funding and reporting program status to the CPUC. The Agreement also defines each partner's individual responsibilities and identifies specific implementation plans. ISD will either competitively bid and contract for the retro-commissioning and retrofit projects and implement the associated energy savings measures utilizing its Energy Efficiency Project Master Agreement (EEPMA) vendors or use in-house craft services as applicable. ISD will also provide technical assistance including site selection and project screening, project management, use of energy management information systems and coordination with County facility managers and tenants.

The partnership will also investigate non retro-commissioning retrofits and other cost-effective projects because they could receive incentives or be implemented under this program. For example, qualified energy projects that ISD is developing for possible implementation using other funding sources could be fully or partially funded under this program. The partnership will also work closely with Public Works' design teams on new construction projects to identify new construction efficiency measures that could qualify for partnership rebates and incentives.

Per the CPUC Program requirements, all projects must be completed by December 2012.

The Agreement has been approved as to form by County Counsel.

ENVIRONMENTAL DOCUMENTATION

The approval of this Agreement is exempt from CEQA pursuant to Section 15301 of the state CEQA guidelines because the services to be performed under the Agreement consist of minor alterations to public facilities and/or equipment involving no expansion of existing use.

CONTRACTING PROCESS

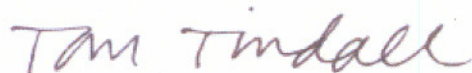
The Agreement defines the roles and responsibilities for each of the parties. SCE and SCG will provide overall administration and reporting to the CPUC. ISD will conduct the bidding processes using the EEPMA approved by your Board and contract for all project implementation. Retro-commissioning projects will be funded through the partnership for all work completed. Other projects that are funded from another source will receive a rebate to offset a portion of the costs. ISD will manage all projects, oversee daily work progress and provide coordination with other County departments in all County facilities.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Upon completion of the projects, inefficient and outdated equipment will have been replaced, the facilities mechanical systems will function at optimal performance and the County's utility costs will be reduced.

The Honorable Board of Supervisors
2/16/2010
Page 4

Respectfully submitted,



TOM TINDALL
Director

TT:NH:ynj

Enclosures

c: Chief Executive Officer
Executive Office, Board of Supervisors
County Counsel